



# PREPROPOSAL STATEMENT OF INQUIRY

(RCW 34.05.310)

CR-101 (7/22/01)

Do **NOT** use for expedited rule making

**Agency:** Insurance Commissioner

**Subject of possible rule making:** Commercial account rate filing exemption.

Insurance Commissioner Matter No. R 2003-04

**(a) Statutes authorizing the agency to adopt rules on this subject:** RCWs 48.02.060, 48.18.100(6), and 48.19.080

**(b) Reasons why rules on this subject may be needed and what they might accomplish:**

The Commissioner will review existing rate filing requirements for large commercial property casualty accounts in WAC 284-24-120 and consider the concept of commercial deregulation. The theory underlying commercial deregulation is that purchasers of large commercial property casualty policies are sophisticated buyers who have the ability to negotiate as equals over the rates and provisions of their policies and to adequately safeguard their interests.

The existing rules include a "sunset" provision and will expire unless amended. The Commissioner will review the experience under WAC 284-24-120 since adoption. Among the concepts that will be explored and discussed in the rule-making are repealing the "sunset" provision in WAC 284-24-120(7). The Commissioner will also consider altering the requirements of WAC 284-24-120 and the existing scheme of deregulation. This subject has been discussed extensively by the NAIC and other states and the Commissioner will consider the recommendations of the "Speed to Market" and other appropriate NAIC working groups that address issues of commercial deregulation. The Commissioner will review WAC 284-24-120 and other systems of commercial deregulation and determine what, if any, is the most appropriate for Washington.

**(c) Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:**  
None

**(d) Process for developing new rule (check all that apply):**

☐ Negotiated rule making

☐ Pilot rule making

☒ Agency study

☒ Other (describe) Send written comments by September 29, 2003 to:

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**(e) How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

(List names, addresses, telephone, fax numbers of persons to contact; describe meetings, other exchanges of information, etc.)

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**NAME (TYPE OR PRINT)**

Mike Kreidler

**SIGNATURE**

**TITLE**

Insurance Commissioner

**DATE**

8/20/03